

Testimony

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Regarding
Forest Land Enhancement Program

Mr. Chairman:

Thank you for providing this opportunity to discuss the Forest Land Enhancement Program (FLEP) authorized in the Forestry Title (Title VIII) of the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill).

The people of the United States benefit greatly from the country's 350 million acres of non-industrial private forest land (NIPF). Besides producing 60 percent of the forest products consumed in and exported from the United States, these forests contribute significantly to our nation's water, watersheds, clean air, wildlife habitat and provide millions of Americans the opportunity for outdoor recreation. It makes sense, given their importance, for the nation to invest in these lands, providing landowners with technical and financial assistance to provide a full spectrum of values.

As you know, two previous private forest land conservation incentive programs, the Stewardship Incentive Program (SIP) and the Forestry Incentive Program (FIP) were repealed in the 2002 Farm Bill and replaced by FLEP. Congress authorized \$100 million from the Commodity Credit Corporation (CCC) through Fiscal Year 2007 to provide educational, technical and cost-share assistance.

Through FLEP, Congress provided an additional avenue for State forestry agencies and their partners to provide a wide array of educational, technical and financial services so that the nation's 350 million acres of NIPF could continue to provide sustainable forest products and safeguard the health of our water, air, and wildlife.

FLEP is a voluntary program in each State and participation by landowners is voluntary. In each State participating in the program, the State Forester and State Forest Stewardship Coordinating Committee have jointly developed a State Priority Plan that is intended to promote sustainable forest management objectives. State Priority Plans determine the mix of educational, technical and financial assistance, with States choosing one or more of these elements. As applicable, the plans identify educational activities and their proposed outcomes, describe the technical assistance to be provided and the anticipated outcomes, and describe the cost-share components that will be available to NIPF landowners and the public values of these practices.

State forestry agencies can use FLEP funds to provide assistance to NIPF owners to achieve a broad array of natural resource objectives. The Forest Service and State forestry agencies are guided by the following principles:

- establish, manage, maintain, protect, enhance, and restore NIPF lands.
- enhance the productivity of timber, habitat for flora and fauna, soil, water, air quality, wetlands, and riparian buffers of these lands.
- assist owners and managers to more actively manage NIPF lands to enhance and sustain the long-term productivity of timber and non-timber forest resources.
- reduce the risk and help restore, recover and mitigate the damage to forests caused by fire, insects, invasive species, disease, and damaging weather.
- increase and enhance carbon sequestration opportunities.
- enhance implementation of agroforestry practices.
- encourage and leverage State, Federal, and local resource management expertise, financial assistance and educational programs that support FLEP.

NIPF owners who wish to participate in the cost-share component of FLEP in those States offering it as an option must complete one or more of the sustainable forestry practices available in their State as described in a forest management plan. In each State, the State forester or a representative will evaluate the management plans submitted by NIPF owners and approve them for participation in FLEP. Eligibility criteria for FLEP are broad to encourage landowner participation.

FLEP allows cost-sharing for treatment of up to 1,000 acres per year and variances of up to 5,000 acres if significant public benefits will accrue. The maximum FLEP cost-share payment for any practice is 75 percent. The aggregate payment to any one landowner through 2007 may not exceed \$100,000, except in Alaska. The variances for Alaska are described in their State Priority Plan.

States are responsible for reporting program accomplishments for all program components - educational, technical, financial, – being implemented. States also must account for administrative costs to implement FLEP.

Program implementation began after the interim rule was published in the Federal Register on June 9, 2003. To date, \$20 million in FLEP funds have been allocated.

Due to the extreme fire season of 2003, \$50 million of FLEP funds were transferred for fire suppression costs, of which \$10 million was repaid. The Administration's Fiscal Year 2005 Budget proposed no FLEP funds for this fiscal year or next.

The President's Budget by necessity balances competing needs and priorities, and reflects in its totality the priorities of the President. Difficult choices must be made. Activities that qualify for cost-share assistance under FLEP also qualify for other Forest Service, USDA, Federal, or state conservation program support. As of 2004, USDA alone administered nearly 20 programs that give agricultural land users financial incentives to apply conservation measures to their farms, ranches, and forests. We believed we would be able to meet the objectives of FLEP utilizing these other programs.

This Committee has expressed its disappointment with the Administration's FLEP decision very persuasively. On further reflection, the Department will transmit to Congress in the near future an amended request to provide \$15 million for FLEP, coupled with a commensurate offset in FY 2005.

Thank you, Mr. Chairman, for providing this opportunity to discuss the Forest Land Enhancement Program. I'll be pleased to answer any questions the Committee may ask.